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C O N F I D E N T I A L RANGOON 000147

SIPDIS

STATE FOR EAP/BCLTV USCDR PACOM FOR FPA

E.O. 12958: DECL: 02/02/2013
TAGS: KNNP PARM MARR BM IAEA BNUC RU
SUBJECT: RUSSIAN MIGS AND REACTORS

REF: 02 RANGOON 942

Classified By: COM Carmen Martinez. Reason: 1.5 (d).

11. (C) Summary: Russia now has the only bilateral military and technical cooperation agreement with Burma, according to a Rangoon-based Russian diplomat. A draft agreement for the sale of a 10 megawatt research reactor was approved by the Russian government last year and is now under study by the GOB. Twelve MIG-29s have also been delivered though they remain bare of weapons packages. End Summary.

Military and Technical Cooperation Agreement

12. (C) A Russian emboff told Poloff on January 30 that Russia is the only country that has a military and technical cooperation agreement with Burma. Supposedly, that agreement was worked up to provide a framework for the sale of the nuclear reactor. A first set of consultations under the agreement was held in Russia in 2002. The next set will take place in Rangoon this year.

## Nuclear Reactor

- 13. (C) Russia has approved a "draft agreement" for the sale of a 10 megawatt research reactor to Burma, but has still not received a response from the GOB, which has been studying the agreement since last year. The Russian officer believes that money is the problem; the GOB does not have the \$150 million that would be required to complete the whole project. Nevertheless, it is locked in to working with Russia. Six hundred Burmese students (350 in 2001 and 250 in 2002) have already been sent to Moscow for training on all aspects of uranium mining and processing, and on reactor operation and research. Once trained on Russian reactors, they're not going to be able to work on anything else.
- 14. (C) As for uranium, the Russian said that the Burmese have identified four deposits and sent samples to Pakistan for assessment last year. Reportedly, the assessment was positive; the ore is suitable for processing into reactor fuel. However, it is still not clear how much uranium is available in each site. For that, some further geological investigations will be necessary.
- 15. (C) Asked why the GOB would want to spend \$150 million of money they don't have on a reactor, the emboff said that he believed the GOB's ultimate objective was to become an exporter of reactor fuel "in 10 to 20 years." In any case, he insisted that the reactor (a 10 megawatt, light water system) was not suitable for the production of weapons. He also said that the North Koreans were not involved in the reactor project. The North Koreans wanted to sell Burma two submarines, he said, adding that he did not think they were looking to transfer any nuclear technology.

## MIG-29s

16. (C) The Burmese have taken delivery of 12 MIG-29s, but have not paid anything other than the initial down payment, according to the Russian. The remaining payments have been rescheduled over four years. Nevertheless, Russia is ready to be patient. MIG-29s have an operational life of about 40 years, and the GOB will require spare parts, training, maintenance, and upgrades for as long as they maintain their MIG fleet. In other words, the Russians feel they have the Burmese hooked and are content to wait for payment on the original purchase, so long as that purchase continued to throw up opportunities for further sales. Reportedly, the MIG-29s are so far bare of any weapons packages. The Russian Emboff speculated that they may have some political value to the GOB, as indicators of the GOB's long-term ambitions for the air force, but right now were essentially useless as weapons of war. (DAO note: Some MIG-29 training is in process. The Burmese are also reportedly negotiating with Ukraine for air-to-air missiles though there are no confirmed reports of deliveries as yet.)